

DATE IN 7/19/11	SUSPENSE	ENGINEER WVS	LOGGED IN 7/19	TYPE DHC 4428	APP NO. PWOT 112056340
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

**[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

**[1] TYPE OF APPLICATION - Check Those Which Apply for [A]**

[A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☒ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply**

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☒ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☒ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

**[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

**[4] CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Pam Inskoop  
 Print or Type Name

Signature

*Pam Inskoop*

Regulatory Administrator  
 Title

07/18/2011  
 Date

pinskeep@btaoil.com  
 e-mail Address

District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
811 South First Street, Artesia, NM 88210

District III  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

**OIL CONSERVATION DIVISION**  
2040 South Pacheco  
Santa Fe, New Mexico 87505  
**APPLICATION FOR DOWNHOLE COMMINGLING**

Form C-107A  
Revised May 15, 2000

APPLICATION TYPE  
☒ Single Well  
☐ Establish Pre-Approved Pools  
EXISTING WELLBORE  
☒ Yes ☐ No

Operator BTA OIL PRODUCERS LLC Address 104 SOUTH PECOS MIDLAND, TX 79701 **DAC- 4428**  
Lease Gem. 8705 JV-P Well No. 1 Unit Letter-Section-Township-Range B-2-T20S-R33E County Lea  
OGRID No. 260297 Property Code 305261 API No. 30-025-29916 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Teas, Delaware		Teas, Bone Springs
Pool Code	96797		58960
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6,592 - 6,599		9,305 - 10,150
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	38 degrees		38 degrees
Producing, Shut-In or New Zone	Producing		Shut-In
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 07/15/2011 Rates: 4 BO / 8 BW / 15 MCF	Date: Rates:	Date: 07/15/2011 Rates: 5 BO / 100 BW / 100 MCF
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil      Gas 44 %      13 %	Oil      Gas %      %	Oil      Gas 56 %      87 %

**ADDITIONAL DATA**

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐

Will commingling decrease the value of production? Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

**Attachments:**

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

**PRE-APPROVED POOLS**

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Pamela D. Inskeep TITLE Regulatory Administrator DATE 07/18/2011

TYPE OR PRINT NAME Pamela D. Inskeep TELEPHONE NO. ( 915 ) 682-3753

## Jones, William V., EMNRD

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**From:** Brooks, David K., EMNRD  
**Sent:** Tuesday, July 19, 2011 11:37 AM  
**To:** Jones, William V., EMNRD  
**Subject:** FW: Request for DHC - BTA 8705 JV-P Gem #1  
**Attachments:** 8705 Gem #1 DHC request.pdf

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**From:** Pam Inskeep [<mailto:Pinskeep@btaoil.com>]  
**Sent:** Tuesday, July 19, 2011 10:38 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** Request for DHC - BTA 8705 JV-P Gem #1

Good morning, Mr. Brooks.

BTA is seeking administrative approval for downhole commingling at the above referenced location in the Teas, Delaware and Teas, Bone Spring Pools.

The Bone Spring formation was completed in this wellbore in 1988 and produced 58 MBO and 85 MMCF through November 1999 when it was recompleted to the Delaware formation. Prior to recompletion, the well was producing at a marginal rate of 6 BOPD and 10 MCFD. The Delaware is currently producing at a rate of 4 BOPD and 15 MCFD. The Bone Spring and Delaware formations have been successfully commingled on this lease previously in the 8705 JV-P Gem #4 wellbore. The proposed commingling will create operational efficiencies that will extend the productive life of both the Bone Spring and Delaware formations resulting in higher recoveries for both formations.

Attached hereto is the application along with all required backup data and detail.

This well is currently shut-in, awaiting approval of the DHC order.

Should you have any questions, please advise.

Thank you for your time.

Pam

Pam Inskeep  
Regulatory Administrator  
BTA Oil Producers LLC  
104 S. Pecos  
Midland, TX 79701  
432-682-3753  
432-683-0325 fax  
[pinskeep@btaoil.com](mailto:pinskeep@btaoil.com)



CARLTON BEAL, JR.  
BARRY BEAL  
SPENCER BEAL  
KELLY BEAL  
BARRY BEAL, JR.  
STUART BEAL  
ROBERT DAVENPORT, JR.

## BTA OIL PRODUCERS, LLC

104 SOUTH PECOS  
MIDLAND, TEXAS 79701

432-682-3753  
FAX 432-683-0311

July 15, 2011

**GULF COAST DISTRICT**  
FOUR GREENSPPOINT PLAZA  
16945 NORTHCHASE DRIVE, STE. 1600  
HOUSTON, TEXAS 77060  
PH. 281-872-5022 FAX 281-872-5054

**ROCKY MOUNTAIN DISTRICT**  
600 17TH STREET, STE. 2230 SOUTH  
DENVER, CO 80202  
PH. 303-534-4404 FAX 303-534-4661

Re: Application for Administrative Approval  
Downhole Commingling  
Gem, 8705 JV-P #1  
660' FNL & 1980' FEL  
Section 2, T20S, R33E  
Lea County, NM

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION  
1625 N. French Drive  
Hobbs, New Mexico 88240

Attention: Mr. David Brooks

Dear Mr. Brooks,

BTA Oil Producers hereby seeks administrative approval for downhole commingling at the above referenced location in the Teas, Delaware and Teas, Bone Spring Pools. The Bone Spring formation was completed in this wellbore in 1988 and produced 58 MBO and 85 MMCF through November 1999 when it was recompleted to the Delaware formation. Prior to recompletion, the well was producing at a marginal rate of 6 BOPD and 10 MCFD. The Delaware is currently producing at a rate of 4 BOPD and 15 MCFD. The Bone Spring and Delaware formations have been successfully commingled on this lease previously in the 8705 JV-P Gem #4 wellbore. The proposed commingling will create operational efficiencies that will extend the productive life of both the Bone Spring and Delaware formations resulting in higher recoveries for both formations.

Attached hereto are:

- Administrative Application Checklist
- Form C-107A, Application for Downhole Commingling
- Area plat showing well location and all Offset Operators
- Form C-102 for each zone
- Production curve for Teas (Delaware)
- No production history for Teas (Bone Springs) to produce curve
- Notification list of Offset Operators

BTA has notified all Offset Operators of our intentions by electronic mail. Copies are attached.

Should further information be required, to approve this application, please advise.

Respectfully

  
PAMELIA D. INSKEEP  
For BTA Oil Producers LLC

/pdi

Attachments



**District I**

1625 N. French Dr., Hobbs, NM 88240

**District II**

1301 W. Grand Avenue, Artesia, NM 88210

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410

**District IV**

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-29916	<sup>2</sup> Pool Code 58960	<sup>3</sup> Pool Name Teas (Bone Springs)
<sup>4</sup> Property Code 305261	<sup>5</sup> Property Name Gem, 8705 JV-P	<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 260297	<sup>8</sup> Operator Name BTA Oil Producers LLC	<sup>9</sup> Elevation 3687'

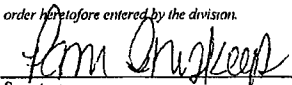
**<sup>10</sup> Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	2	20S	33E		660	N	1980	E	Lea

**<sup>11</sup> Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

				<b><sup>17</sup> OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  Signature 07/01/2011 Date Pam Inskeep, Regulatory Administrator Printed Name
				<b><sup>18</sup> SURVEYOR CERTIFICATION</b> <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> 04/27/1987 Date of Survey Signature and Seal of Professional Surveyor:  Max A. Schumann, Jr. 1510 Certificate Number

**District I**

1625 N. French Dr., Hobbs, NM 88240

**District II**

1301 W. Grand Avenue, Artesia, NM 88210

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1000 Rio Brazos Rd., Aztec, NM 87410

**District IV**

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

**COPY** Form OJ 02

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-29916	<sup>2</sup> Pool Code 96797	<sup>3</sup> Pool Name Teas (Delaware)
<sup>4</sup> Property Code 305261	<sup>5</sup> Property Name Gem, 8705 JV-P	
<sup>7</sup> OGRID No. 260297	<sup>8</sup> Operator Name BTA Oil Producers LLC	<sup>6</sup> Well Number 1  <sup>9</sup> Elevation 3687'

**<sup>10</sup> Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	2	20S	33E		660	N	1980	E	Lea

**<sup>11</sup> Bottom Hole Location If Different From Surface**

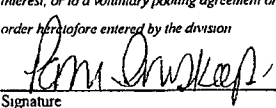
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.


**<sup>17</sup> OPERATOR CERTIFICATION**

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division*

 07/01/2011  
 Signature Date

Pam Inskeep, Regulatory Administrator  
Printed Name

**<sup>18</sup> SURVEYOR CERTIFICATION**

*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief*

04/27/1987

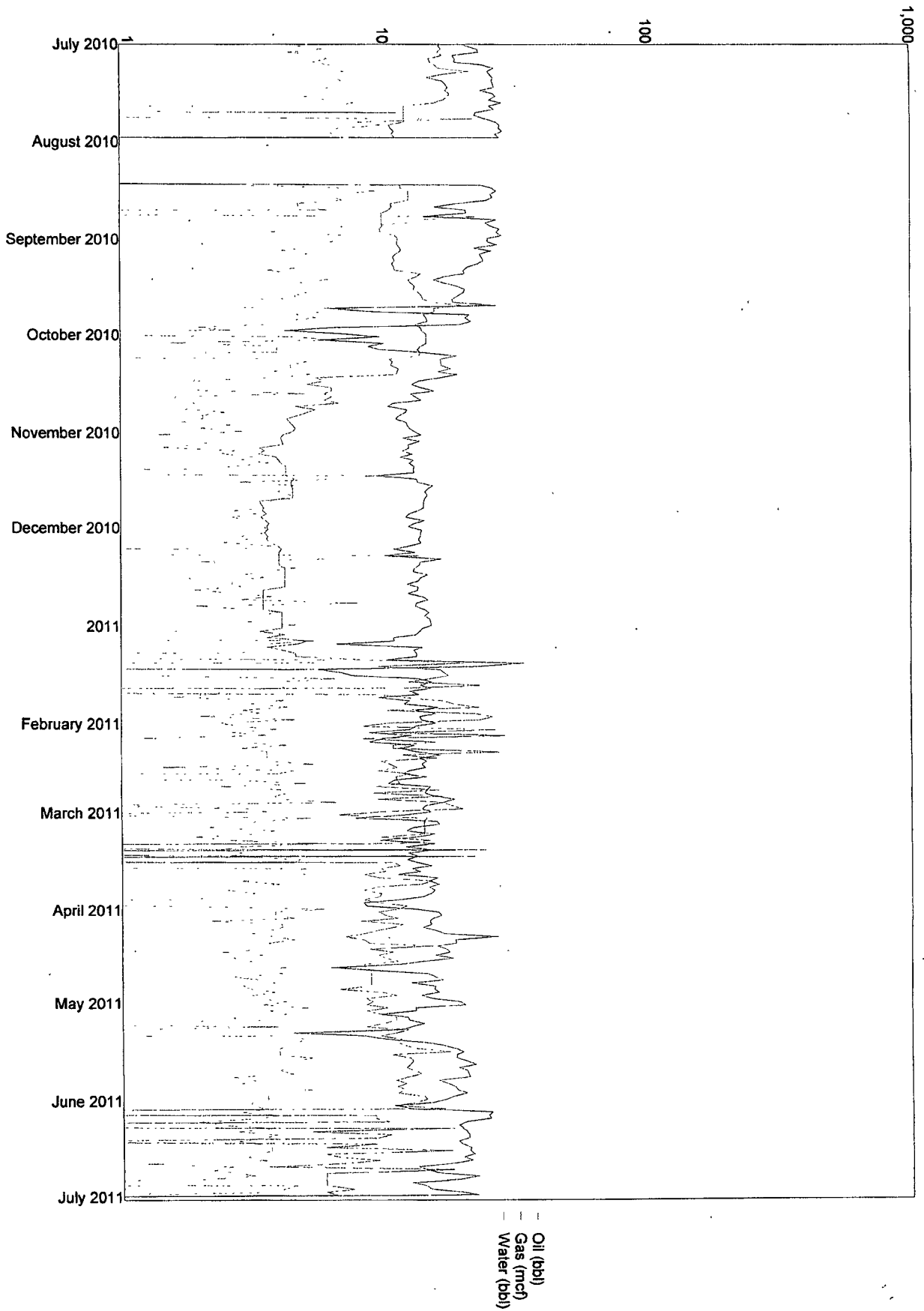
Date of Survey

Signature and Seal of Professional Surveyor

Max A. Schumann, Jr 1510

Certificate Number

GEM 1, 2, 6, 8, 9 LEASE - 870551 - Gem 1







CARLTON BEAL, JR.  
BARRY BEAL  
SPENCER BEAL  
KELLY BEAL  
BARRY BEAL, JR.  
STUART BEAL  
ROBERT DAVENPORT, JR

**BTA OIL PRODUCERS, LLC**

104 SOUTH PECOS  
MIDLAND, TEXAS 79701  
432-682-3753  
FAX 432-683-0311

**GULF COAST DISTRICT**  
FOUR GREENSPOINT PLAZA  
16945 NORTHCHASE DRIVE, STE. 1600  
HOUSTON, TEXAS 77060  
PH. 281-872-5022 FAX 281-872-5054

**ROCKY MOUNTAIN DISTRICT**  
600 17TH STREET, STE. 2230 SOUTH  
DENVER, CO 80202  
PH. 303-534-4404 FAX 303-534-4661

July 18, 2011

Re: Offset Operator Notification  
Application for Downhole Commingling  
Gem, 8705 JV-P #1  
660' FNL & 1980' FEL  
Section 2, T20S, R33E  
Lea County, NM

Offset Operator

Gentlemen:

BTA has filed an application for administrative approval for downhole commingling at the above referenced location.

Attached please find a copy of our letter to the State of New Mexico requesting approval along with a copy of Form C107A and a plat of the area showing well location.

If you have any questions regarding this, please do not hesitate to contact me.

Sincerely,

PAM INSKEEP  
For BTA Oil Producers LLC

/pdi

Attachments



CARLTON BEAL, JR.  
BARRY BEAL  
SPENCER BEAL  
KELLY BEAL  
BARRY BEAL, JR.  
STUART BEAL  
ROBERT DAVENPORT, JR.

**BTA OIL PRODUCERS, LLC**

104 SOUTH PECOS  
MIDLAND, TEXAS 79701  
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**GULF COAST DISTRICT**  
FOUR GREENSPPOINT PLAZA  
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HOUSTON, TEXAS 77060  
PH. 281-872-5022 FAX 281-872-5054

**ROCKY MOUNTAIN DISTRICT**  
600 17TH STREET, STE. 2230 SOUTH  
DENVER, CO 80202  
PH. 303-534-4404 FAX 303-534-4661

July 18, 2011

Re: Downhole Commingling Application  
Gem, 8705 JV-P, Well No. 1  
Unit Letter B, Section 2-20S-33E  
Teas, Delaware and Teas, Bone Springs Pool  
Lea County, NM

NEW MEXICO STATE LAND OFFICE  
COMMISSIONER OF PUBLIC LANDS  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Mr. Ray Powell

Dear Mr. Powell,

BTA has filed an application for administrative approval for downhole commingling at the above referenced location.

Attached please find a copy of our letter to the State of New Mexico requesting approval along with a copy of Form C107A and a plat of the area showing well location.

If you have any questions regarding this, please do not hesitate to contact me.

Sincerely,

PAM INSKEEP  
For BTA Oil Producers LLC

/pdi

Attachments

## **BTA OIL PRODUCERS LLC**

**Application for Administrative Approval  
Downhole Commingling  
Gem, 8705 JV-P #1  
660' FNL & 1980' FEL  
Section 2, T20S, R33E  
Lea County, NM**

I hereby certify that BTA Oil Producers holds 100% Working Interest in this well.

### **OFFSET OPERATOR LIST**

Nearburg Exploration Company, L. L. C.  
3300 North "A" Street, Bldg. 2, Suite 120  
Midland, TX 79705

Cimarex Energy Company  
1700 Lincoln St., Suite 1800  
Denver, CO 80203-4518

Gruy Petroleum Management Co.  
A wholly-owned subsidiary of Cimarex Energy Company  
1700 Lincoln St., Suite 1800  
Denver, CO 80203-4518

Shackelford Oil Company  
P. O. Box 10665  
Midland, TX 79702

Samson Resources Company  
Samson Plaza  
Two West Second Street  
Tulsa, OK 74103

Linn Operating, Inc.  
600 Travis Suite 5100  
Houston, TX 77002

Matador Petroleum Corporation  
Suite 158, Pecan Creek  
8340 Meadow Road  
Dallas, TX 75231-3751

Marshall & Winston  
P. O. Box 50880  
Midland, TX 79710-0880

Breck Operating Corporation  
P. O. Box 911  
Breckenridge, TX 76424

Endurance Resources LLC  
P. O. Box 1466  
Artesia, NM 88211

I hereby certify that notification of BTA's application was mailed via certified mail on this 19<sup>th</sup> day of July, 2011 to the above listed Offset Operators.

Signed: \_\_\_\_\_

  
Pam Inskeep